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Front Edit Other
Page Page Page

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Date: MAR 29 1964

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JURISDICTIONAL POWER LACKING

Red Spy Nest Found Flourishing In Canada

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Communist spies in Canada recently made a brazen attempt to grab United States atomic secrets — but apparently nobody can do anything about it.

Ottawa, the Canadian capital, scene of a 1946 spy scandal involving the Soviet Embassy, is again headquarters of an espionage ring aimed at the U.S. and Latin America. But jurisdictional limitations apparently prevent any action by either Canadian or American authorities.

THE ROYAL Canadian Mounted Police has suspected the existence of the ring for more than three years. However, the Mounties can't prove that the suspected spies are violating Canadian law.

The suspects are kept under nominal surveillance and are occasionally picked up for questioning. No arrests have been made.

The U.S. Army's Counter-Intelligence Corps has more direct knowledge of the Ottawa group's interest in the Army's atomic secrets. But the CIC can do nothing. Foreign spy rings are beyond its jurisdiction.

Agents of the Federal Bureau of Investigation are equally helpless. The FBI collaborates closely with the RCMP but the bureau is forbidden by law to operate outside the U.S.

So one of the most bizarre spy rings on record is apparently free to conduct its own very special brand of uninhibited espionage.

The group consists of a clique of Latin Americans, Europeans and Africans who belong to a semi-private Ottawa night club, the Coral Reef Club.

Leader of the clique and former manager of the club is a bearded exile from the tiny Central American republic of El Salvador. He is William Quintero, better known as "Willy."

Willy has never made any secret of his ambitions to foment a Castro-type revolution in his homeland, to be followed by the armed "liberation" of all Central America. The bearded exile has also long hinted that he has the backing of mysterious but powerful sponsors.

BUT WILLY was better known for his prowess with a bottle at an endless series of semi-beatnik house parties held in Ottawa and in cottages outside of town.

The parties suddenly caught the eye of the Mounties when it was noted that the affairs included two rather unlikely types of participants: scientists working in Canada's top-secret National Research Council — and Soviet Embassy personnel, particularly the Soviet Embassy military attache.

The attache, an army colonel, was carefully cultivating relations with the scientists and their wives.

What subsequent investigation revealed is not clear.

In November, 1963, an American soldier of fortune, Edmund Kolby, turned up in Ottawa to visit his fiancée, Cleotilde Nicholai, a Canadian government employee.

Kolby was introduced to Quintero at the Coral Reef Club. The two became friendly.

QUINTERO was interested in Kolby's background.

A Korean War veteran, Kolby had served six years in the U.S. Army's Rangers, paratroops and Special Forces.

Over rounds of drinks at the Coral Reef, the American veteran admitted to his new friend that his Special Forces security clearance had been lifted because of his activities with Caribbean revolutionaries.

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